



**MINUTES OF SPECIAL JOINT MEETING OF
THE CITY COUNCIL/REDEVELOPMENT
AGENCY OF THE CITY OF HAYWARD**
City Council Chambers
777 B Street, Hayward, CA 94541
Tuesday, February 6, 2001, 8:00 p.m.

MEETING

The Regular Meeting of the City Council was called to order by Mayor/RA Chair Cooper at 8:00 p.m., followed by the Pledge of Allegiance led by Council/RA Member Jimenez.

ROLL CALL

Present: COUNCIL/RA MEMBERS Jimenez, Hilson,
Rodriquez, Ward, Dowling, Henson
MAYOR/CHAIR Cooper
Absent: None

PRESENTATION: Business Recognition Award

Mayor Cooper announced that, due to technical difficulties, there would not be a Business Recognition presentation.

PUBLIC COMMENTS

Jason Moreno, 25200 Carlos Bee Boulevard, commented on the City's rent stabilization ordinance and its benefit.

Francisco Abrantes, 22815 Alice Street, showed a photo of his rental and commented how it is mistreated by one of his tenants.

Jim Drake, 25795 Franklin Avenue, reported that the restaurant near his home has applied for a beer license and the City has approved it. He spoke against fast-food restaurants serving liquor in this City. Mayor Cooper requested staff investigate this matter.

CONSENT

1. Approval of Minutes of the Special Joint City Council/Redevelopment Agency Meeting of January 23, 2001

It was moved by Council/RA Member Hilson, seconded by Council/RA Member Henson, and unanimously carried to approve the Minutes of the Special Joint City Council/Redevelopment Agency Meeting of January 23, 2001 as amended.

2. Designation of City Manager Pro Tempore

Staff report submitted by City Manager Armas, dated February 6, 2001, was filed.

It was moved by Council Member Hilson, seconded by Council Member Henson, and unanimously carried to adopt the following:

Resolution 01-013, "Resolution Approving the Designation of the Assistant City Manager as City Manager Pro Tempore in the Absence of the City Manager"

3. Resolution of Intention to Amend PERS Contract and Introduction of Ordinance to Council related to Fourth Level of 1959 Survivor Benefits for Miscellaneous Employees

Staff report submitted by Personnel Director Perrin-Scales, dated February 6, 2001, was filed.

It was moved by Council Member Hilson, seconded by Council Member Henson, and unanimously carried to introduce and adopt the following:

Resolution 01-014, "Resolution Declaring Intention to Approve an Amendment to the Contract Between the City of Hayward and California Public Employee's Retirement System for Local Miscellaneous Members"

Ordinance No. 01-__, "An Ordinance Authorizing an Amendment to the Contract Between the City Council and the Board of Administration of the California Public Employee's Retirement System"

4. Exchange/Sale of Surplus Real Property, Parcel No. 119: Located along Julia Street with Access on Industrial Boulevard

Staff report submitted by Deputy Director of Public Works Bauman, dated February 6, 2001, was filed.

It was moved by Council Member Hilson, seconded by Council Member Henson, and unanimously carried to adopt the following:

Resolution 01-015, "Resolution Authorizing Exchange/Sale of Surplus Real Property, Parcel No. 119, Located Along Julia Street with Access on Industrial Boulevard"

5. Authorization for the City Manager to Execute an Agreement for Professional Services to Conduct an Engineering and Technical Analysis for Wastewater Discharge Standards and Limitations

Staff report submitted by Deputy Director of Public Works Ameri, dated February 6, 2001, was filed.

It was moved by Council Member Hilson, seconded by Council Member Henson, and



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unanimously carried to adopt the following:

Resolution 01-016, "Resolution Authorizing the City Manager to Execute an Agreement Between the City of Hayward and CH2M Hill for Professional Services for Analysis of Wastewater Discharge Standards"

6. Seismic Retrofit of the Highland 500 Reservoir – Approval of Addenda No. 1 and No. 2, Award of Construction Contract, and Authorization for Additional Appropriation from the Water Capital Improvement Fund

Staff report submitted by Deputy Director of Public Works Ameri, dated February 6, 2001, was filed.

It was moved by Council Member Hilson, seconded by Council Member Henson, and unanimously carried to adopt the following:

Resolution 01-017, "Resolution Authorizing the City Manager to Execute an Agreement Between the City of Hayward and CH2M Hill for Professional Services for Analysis of Wastewater Discharge Standards"

Resolution 01-018, "Resolution Amending Resolution No. 00-089, the Budget Resolution for Capital Projects for Fiscal Year 2000-2001, Relating to an Appropriation of Funds for the Seismic Retrofit of the Highland 500 Reservoir, Project No. 7147"

7. Request for Appropriation of Funds for the City of Hayward's 125th Birthday Celebration, March 31, 2001

Staff report submitted by Administrative Analyst Melendez, dated February 6, 2001, was filed.

It was moved by Council Member Hilson, seconded by Council Member Henson, and unanimously carried to adopt the following:

Resolution 01-019, "Resolution Authorizing Appropriation of Funds for the City of Hayward's 125th Birthday Celebration, March 31, 2001"

8. Resolution Authorizing the City Manager to Execute a Lease Purchase Agreement for Mainframe Computer Equipment

Staff report submitted by Finance and Internal Services Director Carter, dated February 6, 2001, was filed.

It was moved by Council Member Hilson, seconded by Council Member Henson, and unanimously carried to adopt the following:

Resolution 01-020, "Resolution Authorizing Execution of Equipment Lease/Purchase Agreement and Other Documents Necessary to Procure Computer Equipment Financing"

9. Award of Contract for Professional Services for Computer Network Design, Installation, and Configuration

Staff report submitted by Deputy City Manager/Technology Services Director Garg, dated February 6, 2001, was filed.

It was moved by Council Member Hilson, seconded by Council Member Henson, and unanimously carried to adopt the following:

Resolution 01-021, "Resolution Authorizing the City Manager to Execute a Contract with ExtraTeam for Computer Network Design, Installation and Configuration"

LEGISLATIVE BUSINESS

10. Direction to Staff Regarding Preparation of Agreement Between City of Hayward and Calpine/Bechtel for Proposed Russell City Energy Center

Staff report submitted by City Manager Armas, dated February 6, 2001, was filed.

City Manager Armas made the presentation using an aerial map to depict the future location of the plant, in the City's Industrial District away from any sensitive receptors as schools. He noted that the City's ordinance does not ban this use, but the local process has been to enumerate each applicable use in the district.

He described the California Energy Commission (CEC) process as including public input which is critical to the overall process, workshops and hearings for identifying and addressing local issues; an evidentiary hearing at which local issues are identified and addressed; issues will then be addressed in a comprehensive document; air quality will be reviewed by the Air Quality Board for approval and safety, which includes public health and other related issues.

He showed visual simulations from several views noting that the City is requesting Calpine to construct the facility to view as a high rise building. He enumerated the community benefits as described in the agenda report. He then asked for Council comments, as well as public comments to give direction to staff concerning the preparation of an agreement for the proposed Russell City Energy Center. He then responded to questions from Council Members.



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Council Member Jimenez commented that this is the most exciting project in the history of Hayward. He commented on the timing for this project.

Council Member Dowling asked whether the discounted rate for City government would also apply to residents and business operators.

City Manager Armas understood that it would be difficult since the power companies will use Calpine as a wholesale generator. This will not be a retail outlet. He noted that there would be an economic benefit to the City that may redirect dollars saved for energy costs into other municipal services for the community.

Council Member Ward, referring to the list of potential community benefits, commented that it reflects and underscores Council's budget priorities. He asked technical questions related to the use of recycled water. He encouraged staff to consider the social, economic and visual impacts.

Council Member Hilson urged that the City staff adequately explore the positive aspects as well as the negative aspects and identify the mitigations to improve those negative aspects. He asked for clarification of the various public hearings and information hearings that will be held by both the City and Calpine. It was noted that the process is extensive, which includes a review process and whether the land use is consistent with the area in which it is located.

Council Member Henson asked about security and technical advances to the facility.

Council Member Rodriquez expressed concerns on the emissions that are generated and how that issue will be addressed. She commented that the location seemed appropriate for this project.

Council Member Hilson commented on natural gas prices in California and asked how Calpine will strategize for gas consumption and take advantage of long term contracts.

Council Member Dowling asked whether there are adequate transmission lines and receivers.

Mayor Cooper opened the public hearing at 8:39 p.m.

Winston Ho, 2144 Thayer, cautioned that the City is not a social service agency. He suggested making a visit to a solar renewal energy plant. The sun is there every day and we still have to buy gas.

Sheila Junge, 22741 Souza Court, #4, visits the Hayward Regional Shoreline regularly. It is reserved for the salt marsh harvest mouse. She suggested paying careful attention to the impact to this sensitive marshland. She also inquired regarding the CEC notification process.

In response, City Manager Armas suggested that the hearing by the CDC is more extensive than

an EIR document and addresses those issues. As to how notification will take place, he added that most of the hearings would be conducted in Hayward. He commented that this is a lengthy process, which will include an email list as well as an individual assigned to the notification process.

Bill Tomann, Calpine/Bechtel Joint Development, explained various details of the project and the companies involved. They will develop a series of four or five energy centers in the Bay Area and invest private capital to build these facilities. The centers will have a capacity of 600 megawatts. This facility is state of the art and more economical to build and operate in order to displace the older generation and pollution of present generating facilities. He noted that the proximity of the natural gas lines, the wastewater treatment plant and the electrical capacity in the area make this an ideal location and will make the plant more economical to provide power to the area. He described Bechtel Enterprises, which has constructed 450 energy-generating facilities worldwide. He then responded to questions from Council. He noted that the plant would use recycled, retreated wastewater.

Council Member Henson suggested that they describe in detail the combined cycle process for the general public's understanding. He then asked for enumeration of those plants presently under construction within the State.

Council Member Hilson asked for further information about the exhaust effluent in the generation process. He noted a plant in Mountain View which has developed a new technology for treating this in the combustion chamber itself. He also noted that the shorelands are very important to the City of Hayward.

Mr. Tomann explained that they would look at anything that would be commercially practical and economically feasible. They will be funding this project through bank loans. The natural gas needed would originate either in State or through long-, medium-, and short-term contracts in order to stabilize the price of the product. Calpine will be one of the largest users of natural gas in the system by 2005. This plant would be projected to come on-line by summer, 2004, unless they are presented with an expedited license. This might allow for the plant to come on line by late 2003.

Council Member Dowling asked about the adequacy of the transmission lines and substations in Hayward. He then asked whether Calpine could commit to keeping the generated power in the Bay Area.

Mr. Tomann responded that there is a newly rebuilt substation, East Shore Substation, south of 92 at Arden Way. This will have the capacity to receive this power. They may have to add one or two banks of transformers there. He noted that they would replace the towers to carry the old lines and their new lines. He added that the physics of the grid in the Bay Area would assure that the power would stay in the Bay Area. He said that the market is here in the Bay Area. As to the discounted power, their marketer of electric power would be able to supply the City, through a contract, with electrical power. This could be negotiated. Next year, they will have a better idea of the power structure for power in the area.

Council Member Rodriquez emphasized her concerns relating to the emissions issues. Will there



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be a permanent provision to address any concerns.

Mr. Tomann reported that the licensing of the plant would require the demonstration of no significant impact to public health by this facility. He commented that these facilities have no soot or deposit. There will be no smoke or vapor plumes. He noted the cleanliness and they would have continuous emission monitors on the stacks.

City Manager Armas added that the compliance monitoring division by the CEC would oversee the facility.

Council Member Ward asked about existing facilities and how this will displace them. He asked whether there are design standards for the plants for each community.

Mr. Tomann noted that an architectural treatment would be included. Calpine/Bechtel will work with the City and the CEC and a New York architect to craft a Hayward specific gateway, which will be a premier entryway to the City.

Mayor Cooper closed the public hearing at 9:33 p.m.

Mayor Cooper noted that any action of the Council at this time does not commit the City, but merely provides guidance to City staff.

Council Member Henson commented on the timeliness and the technology of the proposal. He noted the appropriateness of the location, as well as the efficiency and the kind of benefits that the City can derive, not in terms of the money. He said he liked all of the items mentioned but said that he wanted to add P.A.L.'s outstanding summer program to the list. He commented that he wanted the University to be included in the process at a later date.

Council Member Dowling said he would like to take a field trip to see the Pittsburg plant. He appreciated the visual simulations but would also like to see one from the industrial area. He said he would like to have further information about the effects on Enterprise Avenue. He was told the environmental impacts would review the traffic in the area. He then commented that he would like to explore extending low-rate power to include Hayward residents as well as businesses. He suggested exploring the option of creating a municipality utility district for the City of Hayward.

Council Member Ward suggested the design issues be included in the motion since it is a gateway city.

It was moved by Council Member Henson, seconded by Council Member Jimenez, and unanimously carried by all present, to direct staff to prepare a contract between the Calpine Corporation and the City of Hayward setting forth mutual obligations and commitments in connection with the proposed Russell City Energy Center and to include discussing possibilities

of energy preferences for Hayward businesses and residences as well. Members also commended staff for the proposal and the presentation.

10. Sidewalk Rehabilitation Program Policies: Introduction of Ordinance

Staff report submitted by Deputy Director of Public Works Bauman, dated February 6, 2001, was filed.

Director of Public Works Butler made the staff report. He noted that the volunteer program created a very spotty repair program, which was not comprehensive. Council agreed in concept to a program where whole blocks would be restored. He then responded to Council questions, and also related payment schedules.

Council Member Jimenez asked for clarification of the section discussing the fine for, "Willful neglect of a tree."

Council Member Dowling appreciated the 12-step payment plan. He expressed concerns about the timing of the notice and payment of the costs.

Director of Public Works Butler explained the costs and the payment schedules possibility.

Mayor Cooper expressed her concerns related to the restriction of using certain materials such as asphalt and cement by homeowners when they repair their own sidewalks around trees. She said she wanted these restrictions in the Ordinance. It was noted that this should be in a different document altogether and Council could direct staff to provide the appropriate instruments that would address those concerns.

With no comments from the public, Mayor Cooper opened and closed the public hearing at 9:50 p.m.

Council Member Henson asked about the multi-family component of the Ordinance. He was told that the \$425 fee would apply only to the first two locations. After that it would go back to the \$425 per location. The City would not differentiate between damage caused by trees in the planter strip provided by the City and those provided by the homeowners. These trees are serviced and maintained by the City.

Council Member Ward asked about the funding source. He encouraged Council to allow the dollars to remain in the Route 238 fund and use a portion of the LAVMA dollars. He suggested that the majority of the funding come from these dollars as opposed to the Route 238 funds.

Council Member Dowling asked what would be done to address the tree issue and retain a higher portion of the current trees.

Director of Public Works Butler responded that the City would have a certified arborist available to work with homeowners who would encourage granting an easement to move the curblineline to provide more room for healthy trees.



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Council Member Dowling asked for future updates on that part of the program.

Council Member Jimenez complemented staff on the funding of the sidewalk program since the City cannot afford to fund a Citywide program.

It was moved by Council Member Hilson, seconded by Council Member Rodriquez, and unanimously carried by all present, to introduce the following:

Ordinance No. 01-__, "An Ordinance Adding Sections 7-2.70 Through 7-2.83 to Chapter 7, Article 2 of the Hayward Municipal Code Pertaining to the Maintenance and Repair of Sidewalks"

ADJOURNMENT

Mayor Cooper asked Council Member Jimenez to adjourn the meeting at 9:58 p.m. in memory of John "Bud" Gennoy, Jr. He was remembered for his civic pride, as a past member of the grand jury, and as the first major developer for the Hayward downtown.

APPROVED:

Roberta Cooper, Mayor, City of Hayward
Chair, Redevelopment Agency

ATTEST:

Angelina Reyes, City Clerk, City of Hayward
Secretary, Redevelopment Agency